4/30/77

Folder Citation: Collection: Office of Staff Secretary; Series: Presidential Files; Folder: 4/30/77 Container 18

To See Complete Finding Aid:

http://www.jimmycarterlibrary.gov/library/findingaids/Staff_Secretary.pdf

The key to Ullmon's

He much Cons. resentment

Jown Me Hew approach

15 that workers in

the private sector would

be in a private sucher would

welfore Floots. This is not

just a recovered problem.

Electrostatic Copy Made for Preservation Purposes

PANE HEALY Told MA
JOHN PRES LARRY O'ROURKE
WH CORRESPONDENTS STAFE - 10:12 1:1

SALARIES 3 X - WOMEN Black

FACT / FICTION

WOOTEN - EXICA JONG of NYT

FAIR - to ERICA

CRUEL RECLUSE = JODY - WAO?

HAM'S UNDER PANTS

#ND REBATE = SPENT/GOT / GIVE

AMBASSADOR - KANTICKET - MARTIAS

UNEYARD

TROPHY - COGENERATION/RETERMENT

DAVID FROST (REPUBS - 10%)

TNANKS FOR?

WH CORRESPONDENTS AND 4/30/27

Electrostatic Copy Made for Preservation Purposes

Mr. President:

As the riot reinsurance program expires tonight at midnight, it is important that you make your decision on this bill today (Saturday).

The bill was passed by Congress late Thursday night. The OMB review reached Stu's office late yesterday afternoon.

HUD requests that you note the exact time at which you sign the bill (if you choose to sign it).

Rick

THE WHITE HOUSE

WASHINGTON

April 29, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT

SUBJECT:

Enrolled Bill H.R. 3843 - Supplemental Housing Authorization Act of 1977

You must decide by Saturday, April 30, whether to sign or veto this bill in order to prevent the disruption of the riot reinsurance program in several States.

The Bill

H.R. 3843 contains, for the most part, provisions proposed by the Administration to improve housing assistance and related programs during the current fiscal year.

The bill provides for increased funding authorizations for fiscal year 1977 for Section 8 housing assistance payments (+\$378 million), public housing operating subsidies (+\$19 million), and the urban homesteading program (+\$10 million); increased authorization for losses incurred by the FHA General Insurance Fund (+\$841 million); an extension of riot insurance and crime insurance programs; and the establishment of a National Commission of Neighborhoods (+\$1 million). Also, miscellaneous amendments to housing statutes are made.

Although some provisions of the bill were not proposed by the Administration (e.g., the specific figure for the General Insurance Fund increase, and the National Commission on Neighborhoods), HUD and OMB view the amendments as unobjectionable.

The Neighborhood Commission will have 20 members, 16 of whom are Presidential appointees, and will report in one year on policies affecting neighborhood survival and revitalization. HUd formally supported a one-year Commission in a letter to the Senate Banking Committee.

The Votes in Congress

- -- House
- 355 to 47
- -- Senate
- Voice vote without objection

Arguments for Signing

- -- The bill, for the most part, represents the Administration position on housing assistance needs for the current fiscal year.
- -- Authority for the riot reinsurance and crime insurance programs terminate on April 30, 1977. The concensus is that these are beneficial programs worthy of continuance.

Arguments for Veto

None

Agency and Staff Recommendations

HUD and OMB recommend that you sign the bill. Frank Moore, Jack Watson, Bob Lipshutz and I concur with the HUD/OMB recommendation.

<u>Decision</u>	
Sign H.R. 3843	12:15 pm. Sat
Veto H.R. 3843	

Electrostatic Copy Made for Preservation Purposes

THE PRESIDENT HAS SEEN. THE WHITE HOUSE

WASHINGTON

VISIT TO

THE WHITE HOUSE CORRESPONDENTS' ASSOCIATION DINNER SATURDAY - APRIL 30, 1977

Washington Hilton Hotel

ATTIRE:

BLACK TIE

FROM:

TIM KRAFT

SEQUENCE

9:00 p.m.

You and Mrs. Carter board motorcade on South Grounds and depart en route Washington

Hilton Hotel.

9:10 p.m.

Arrive Washington Hilton Hotel.

PRESS POOL COVERAGE CLOSED ARRIVAL

You and Mrs. Carter will be met by:

Mr. Larry O'Rourke, Philadelphia Bulletin, Outgoing President of White House Correspondents' Association Mr. Paul Healy, New York Daily News, Incoming President

You and Mrs. Carter, escorted by

Larry O'Rourke and Paul Healy, proceed to Cabinet Room.

9:11 p.m.

You and Mrs. Carter arrive Cabinet Room for photographs with Larry O'Rourke and Paul Healy.

PRESS POOL COVERAGE OFFICIAL PHOTO COVERAGE

Electrostatic Copy Made for Preservation Purposes

9:12 p.m.	You and Mrs. Carter depart Cabinet Room en route offstage announcement area.
9:13 p.m.	You and Mrs. Carter arrive announcement area and pause.
	Announcement.
	You and Mrs. Carter proceed inside Ballroom en route Head Table.
	OPEN PRESS COVERAGE ATTENDANCE: 1800
9:14 p.m.	You and Mrs. Carter arrive Head Table and take your seats.
9:15 p.m.	Introduction of surprise guest.
9:16 p.m.	You and Mrs. Carter stand for the presentation of a silver plate from the White House Correspondents' Association presented by Larry O'Rourke and William d'Matteo, silversmith.
	PRESS POOL COVERAGE (Video only)
9:18 p.m.	Remarks by Larry O'Rourke.
9:21 p.m.	Remarks by Paul Healy.
9:26 p.m.	Introduction of officers of the White House Correspondents Association.
9:31 p.m.	Introduction of the South Philadelphia String Band (The Mummers), followed by musical selections.
9:51 p.m.	Entertainment concludes.
	INTRODUCTION OF YOU BY PAUL HEALY.

9:53	.m.
------	-----

PRESIDENTIAL REMARKS.

PRESS POOL COVERAGE (Video only)

10:03 p.m.

Remarks conclude. You and Mrs. Carter thank your hosts and depart Head Table en route Cabinet Room.

10:05 p.m.

You and Mrs. Carter arrive Cabinet Room for photographs with the following:

South Philadelphia String Band
Stanley Adams, ASCAP President
A.A. (Andy) Tomei, Board of
American Federation of Musicians
Harold Hoffman, President of
Theatre Authority
Bill Baldwin, Vice President and
former President of AFTRA

OFFICIAL PHOTO COVERAGE

10:09 p.m.

You and Mrs. Carter depart Cabinet Room en route motorcade for boarding.

PRESS POOL COVERAGE CLOSED DEPARTURE

10:10 p.m.

Motorcade departs Washington Hilton Hotel en route South Grounds.

10:20 p.m.

Arrive South Grounds.

#

HEAD TABLE

LAWRENCE M. O'ROURKE President of the Association

On Mr. O'Rourke's Right

On Mr. O'Rourke's Left

The President

Mr. Poe

Mr. Healy

The First Lady

The Secretary of the Interior

Mr. Beckman

Mr. Harris

The Secretary of Agriculture

The Secretary of Labor

Mr. Kohler

Mr. Pierpoint

The Secretary of Housing and Urban Development

Mr. Powell

Miss Angelo

Mr. Brink

Mr. Marks

Mr. McLean

Mr. Barnes

Mr. Adams

Mr. Tomlinson

Mr. Horner

Miss Thomas

Mr. Tomei

Mr. Sutherland

Mr. Deakin

Mr. Cornell

Mr. Eberhart

Mr. Knighton

Mr. Larsen

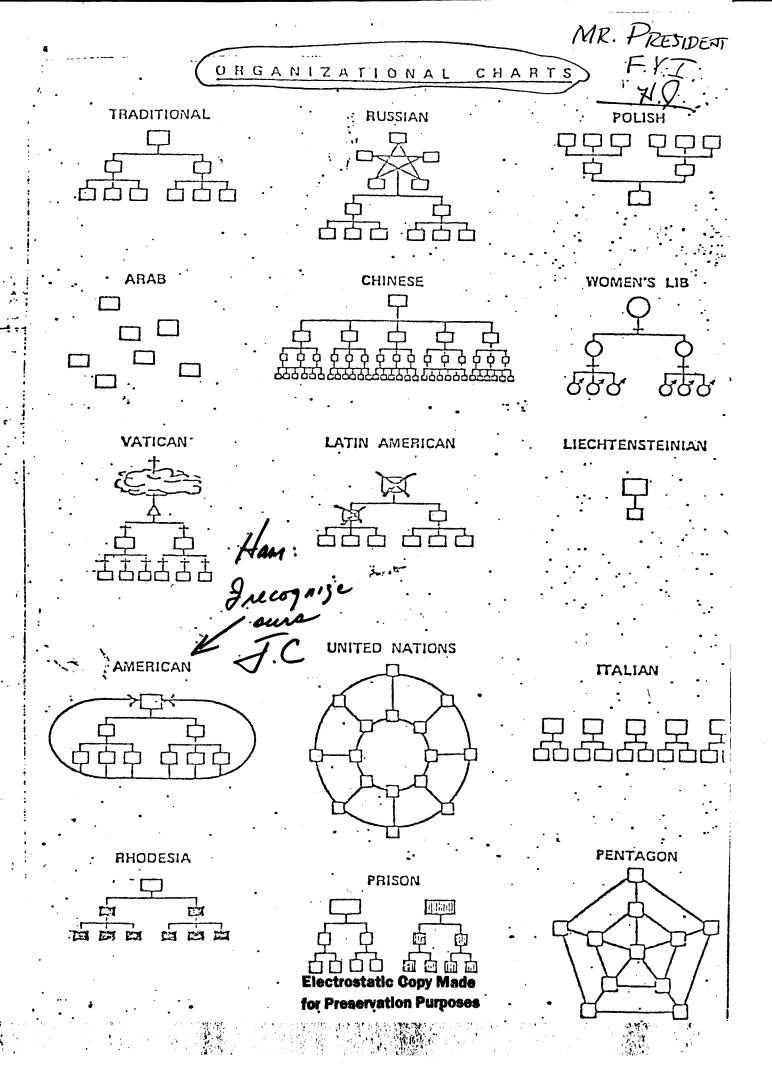
ì

Hamilton Jordan

The attached was returned in the President's outbox and is forwarded to you for your information.

Rick Hutcheson

Re: Organizational Charts



April 30, 1977

Stu Eizenstat Jim Fallows

The attached was returned in the President's outbox and is forwarded to you for your information.

Rick Hutcheson

Re: Figures concerning Fuel

cu ft/barrel = approximately 5.6

barrels/cu mi = approximately 35 billion

Estimated crude oil, ever = 52-60 cu mi

Already used = 11-12 cu mi

Present consumption = .6 cu mi/year

Present proven reserves = 18 cu mi

Consumption, 1985 = 1 cu mi/year

Consumption, 1980's = 10 cu mi/decade ✓

Electrostatic Copy Made for Preservation Purposes

April 30, 1977

Frank Moore -

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

Re: Budget Meeting 5/2/77

WASHINGTON

April 29, 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE FM

SUBJECT: BUDGET MEETING -- MONDAY, MAY 2, 1977

Listed below is the proposed list of attendees for the budget on Monday, May 2, 1977. Please cross through those with which you do not agree.

The President The Vice President Secretary Vance Secretary Blumenthal Secretary Brown Attorney General Bell Under Secretary James A. Joseph (Secretary Andrus cannot attend) Secretary Bergland Secretary Kreps Secretary Marshall Secretary Califano Secretary Harris Secretary Adams Ambassador Strauss

Dr. Schlesinger Charles Schultze Dr. Brzezinski Ambassador Young Admiral Turner EPA Administrator Costle

Jim Free

Midge Costanza Valerie Pinson Stu Eizenstat Hamilton Jordan Bob Lipshutz Frank Moore Jody Powell Jack Watson Jane Frank Dan Tate Bob Thomson

Vice President's Staff

Bill Smith Dick Moe Gail Harrison John Farmer

MORE

Electrostatic Copy Made for Preservation Purposes

OMB

Bert Lance Jim McIntyre Bo Cutter Dale McOmber Herkie Harris

The following agency representatives have been recommended by OMB:

Honorable Alan Campbell, Chairman Civil Service Commission

Honorable Robert Fri ERDA

Honorable John F. O'Leary FEA

Honorable Jay Solomon GSA

Honorable James C. Fletcher NASA

Honorable Arthur Burns Federal Reserve

Congressional

House		_	
O'Neill Wright Brademas Rostenkowski Foley Giaimo Mahon Ullman Bolling	Price Perkins Chisholm	Senate Byrd Cranston Humphrey Inouye Muskie McClellan Long Eastland	Talmadge Williams Stennis

Alice Rivlin -- Congressional Budget Office

I also recommend that we do a short full press coverage at the opening of this meeting.

* * *

APPROVE	V	DI CADDON-
		DISAPPROVE

April 30, 1977

Hugh Carter -

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

cc: Bob Lipshutz

Re: Travel Approved
Month of April

THE WHITE HOUSE

WASHINGTON

April 30, 1977

Some doubtful

MEMORANDUM FOR THE PRESIDENT

FROM:

HUGH CARTER

SUBJECT:

Travel Approved - Month of April (Per Your Request)

For your information, below is the commercial-tourist travel approved for the month of April:

Name	Date	Destination	Purpose
Michael Cardozo	4/5 4/6	New York, NY	Attend meeting of New York Bar Ass'n.
Midge Costanza ??	4/6 4/7	Los Angeles, CA	To appear on Dinah Shore Show
David Aaron	4/14 4/19	Paris London	Participate in European Study Comm. meeting in Paris & preparatory meeting in London for May summit
Walter Wurfel	4/24 4/27	San Francisco, CA	Represent WH at convention of American Newspaper Publishers Ass'n.
Patricia Bario	4/30 5/8	Honolulu, HA	Participate in annual convention of American Society of Newspaper Editors
Leo Cherne	4/17 4/18	Washington, DC	Attend IOB meeting
Robert D. Murphy	4/17 4/18	11	u
Martha Mitchell 7	5/12 5/13	Detroit, MI	Address Pontiac area Urban League Annual Dinner

for Preservation Purposes

Greg Schneiders ?	4/24	White Plains, NY	Attend "Prospectus 77" meeting - a better gov't responsiveness program
Barbara Heineback	4/15 4/19	Chicago, IL	Advance for Mrs. Carter's trip
John E. Sullivan	4/15 4/19	, "	11
Robert Lipshutz* *(used private auto)	4/15 4/16	Charlottesville, VA	Speak at Legal Forum at U.Va.
Leo Cherne	4/21 4/22	NY/Wash/NY	PFIAB business
David Aaron ?	4/21 4/24	Torquay, England	To attend Bilder- burg Conference
Joseph Aragon	4/23	New York, NY	Speak at Congress- ional Hispanic Conference workshop
William Drummond 7 Not Spices	4/24 5/1	Canada, Alaska	White House Fellows sponsored trip to Alaskan pipeline
Joseph Dennin	4/29	New York, NY	Meet with Chairman of IOB
Paul Costello	4/29 5/10	Geneva	To make press arrangements for President's visit
Richard Harden	5/2 5/3	New York, NY Chicago, IL	To attend ACTION agency regional meetings
Leo Cherne	5/3 5/4	NY/DC/NY	PFIAB meetings

Electrostatic Copy Made for Preservation Purposes

cc: Bob Lipshutz

April 30, 1977

Jody Powell

The attached was returned in the President's outbox and is forwarded to you for appropriate action.

For your information the signed bill has been forwarded to Bob Linder for handling.

Rick Hutcheson

Re: Enrolled Bill S. 489
Supplemental Military Assistance
to Portugal

84/30/17 ACTION

THE WHITE HOUSE

LAST DAY - Monday, May 2,1977

WASHINGTON

April 29, 1977

THE PRESIDENT

FROM:

STU EIZENSTAT

SUBJECT:

MEMORANDUM FOR:

Enrolled Bill S. 489 -- Supplemental Military Assistance to Portugal

THE BILL

The bill authorizes grant military assistance of \$32,250,000 to Portugal for the fiscal year 1977 to assist in equipping a NATO-committed brigade. The Administration had proposed an authorization of \$30,000,000 which was passed by the House. The Senate passed legislation sponsored by Senator Brooke which authorized \$34,500,000, and the \$32,250,000 figure in S. 489 was the compromise reached.

VOTES IN CONGRESS

The bill passed the Senate and the House by voice vote.

AGENCY AND STAFF RECOMMENDATIONS

OMB and the affected agencies recommend that you approve the bill. I concur. The Vice President and Dr. Brzezinski also concur.

DECISION

 Approve S.	489	•
Disapprove	s.	489

Electrostatic Copy Made for Preservation Purposes



OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

APR 26 1977

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 489 - Supplemental military assistance to Portugal Sponsor - Sen. Brooke (R) Massachusetts

Last Day for Action

May 2, 1977 - Monday

Purpose

Authorizes grant military assistance of \$32,250,000 to Portugal for the fiscal year 1977 to assist in equipping a NATO-committed brigade.

Agency Recommendation

Office of Management and Budget

Approval

Department of State
Department of Defense
Department of the Treasury
National Security Council
Arms Control and Disarmament Agency

Approval
Approval(Informally)
Approval(Informally)
No objection

Discussion

In October 1976, the government of Portugal was informed that the United States Government had agreed, subject to congressional approval, to provide \$30,000,000 in grant military assistance to assist in equipping a NATO-committed partially air-transportable brigade. In February 1977, after review by your Administration, the State Department transmitted to the Congress legislation authorizing the allocation of up to \$30,000,000 to Portugal in fiscal year 1977.

This assistance was first proposed well in advance of the resumption of our negotiations with Portugal over the Azores bases. Accordingly, while it will not be an explicit part of any quid pro quo offer, our assistance to the brigade will be taken into account in the negotiations.

The House passed the \$30,000,000 authorization as requested, but the Senate passed a higher version for \$34,500,000, sponsored by Senator Brooke. The compromise enrolled bill would authorize the allocation of up to \$32,250,000 for Portugal in fiscal year 1977 and would increase the total amount authorized to be appropriated for the grant military assistance program from \$177,300,000 to \$179,550,000. This \$2,250,000 increase in the total program is authorized to cover the increase over the Administration's request.

In support of this authorization, the Congress has enacted the fiscal year 1977 supplemental appropriation bill, H.R. 4877, which will be submitted to you for action within several days. H.R. 4877 would include additional appropriations for grant military assistance in the amount of \$17,250,000 for Portugal. This amount, together with \$15,000,000 in existing funds would provide the full \$32,250,000 authorized.

The Department of State, in its enrolled bill letter, states:

"The extra \$2,250,000 will enable us to provide Portugal with additional equipment for modernization of its NATO committed airtransportable brigade this year. This additional amount of assistance, beyond what the Administration requested, will not interfere with contributions of other NATO allies to Portugal's force modernization, and the Portuguese Armed Forces have the capacity to absorb the additional assistance. The impact on the FY 1977 budget is relatively modest and does not involve recurring costs to the US Government."

Assistant Director for Legislative Reference

Enclosures

CONFIDENTIAL

THE WHITE HOUSE WASHINGTON

April 30, 1977

The Vice President

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

Re: Universal Voter Registration

DETERMINED TO BE AN ADMINISTRATIVE DATE THE RESERVENCE OF THE PARTY OF



THE VICE PRESIDENT

April 28, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

THE VICE PRESIDENT

SUBJECT:

UNIVERSAL VOTER REGISTRATION

As you know, the House Administration Committee will begin marking up our registration bill next week and it will probably become necessary to convey our position on one of the key issues:

whether to make the bill's provisions mandatory in 1978, as we proposed, or put them off until 1980.

There is very strong sentiment among state and local election officials, including many proponents of the bill, to put it off until 1980 because a) they do not believe there is sufficient time to get ready for 1978, and b) many state legislatures meet biennially and won't be able to pass the necessary state legislation, which will force them to maintain separate registration lists for federal and state elections. The first item is not all that serious, but in our judgment the second one is very serious. It has the election officials absolutely petrified to think that they will have to maintain separate lists. They are conveying this concern to their congressmen, in many cases persuasively. Even some of our strongest Hill supporters believe this is too great a burden to place on the states, and we may lose some of them because of it. It's my own judgment that we may seriously jeopardize the entire bill if we adamantly stick to the 1978 starting date in the face of growing sentiment for 1980. I believe that we will greatly strengthen our ultimate chances of success if we agree to make the bill voluntary and accept some other minor amendments to meet the fraud issue.

RECOMMENDATION: That if Hill sentiment for a 1980 starting date continues to grow so as to jeopardize the bill's chances, we agree to make election day registration voluntary in 1978 and mandatory in 1980.

APPROVE	DISAPPROVE	DISCUSS	

Electrostatic Copy Made for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

Date:			
Date.	April	28.	1977

MEMORANDUM

FOR ACTION:

FOR INFORMATION:

Hamilton Jordan No

Frank Moore - We should put for 75 - Luce way lang cases will be impacted

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: The Vice President memo 4/28 re Universal Voter

Registration.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: IMMEDIATE TURNAROUND

DAY:

DATE:

ACTION REQUESTED:

X Your comments

Other:

STAFF RESPONSE:

_ I concur.

No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



THE VICE PRESIDENT WASHINGTON

April 28, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

THE VICE PRESIDENT

SUBJECT:

UNIVERSAL VOTER REGISTRATION

As you know, the House Administration Committee will begin marking up our registration bill next week and it will probably become necessary to convey our position on one of the key issues: whether to make the bill's provisions mandatory in 1978, as we proposed, or put them off until 1980.

There is very strong sentiment among state and local election officials, including many proponents of the bill, to put it off until 1980 because a) they do not believe there is sufficient time to get ready for 1978, and b) many state legislatures meet biennially and won't be able to pass the necessary state legislation, which will force them to maintain separate registration lists for federal and state elections. The first item is not all that serious, but in our judgment the second one is very serious. It has the election officials absolutely petrified to think that they will have to maintain separate lists. They are conveying this concern to their congressmen, in many cases persuasively. Even some of our strongest Hill supporters believe this is too great a burden to place on the states, and we may lose some of them because of it. It's my own judgment that we may seriously jeopardize the entire bill if we adamantly stick to the 1978 starting date in the face of growing sentiment for 1980. I believe that we will greatly strengthen our ultimate chances of success if we agree to make the bill voluntary and accept some other minor amendments to meet the fraud issue.

RECOMMENDATION: That if Hill sentiment for a 1980 starting date continues to grow so as to jeopardize the bill's chances, we agree to make election day registration voluntary in 1978 and mandatory in 1980.

APPROVE	DISAPPROVE	DISCUSS
---------	------------	---------

April 28, 1977

MEMORANDUM

FOR ACTION:

Hamilton Jordan Frank Moore

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: The Vice President memo 4/28 re Universal Voter

Registration.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: IMMEDIATE TURNAROUND

DAY:

DATE:

ACTION REQUESTED:

X Your comments

Other:

STAFF RESPONSE:

____ I concur.

_ No comment.

Please note other comments below:

We shall per fi 18 up to the end. affect nor /bone RACO.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052) Date: April 28, 1977

MEMORANDUM

FOR ACTION:

Hamilton Jordan Frank Moore

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: The Vice President memo 4/28 re Universal Voter

Registration.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: IMMEDIATE TURNAROUND

DAY:

DATE:

ACTION REQUESTED:

X Your comments

Other:

STAFF RESPONSE:

____ I concur.

Please note other comments below:

No comment.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



ENROLLED BILL
AGENCY REPORT
AGENCY REPORT
ORDER

THE WHITE HOUSE WASHINGTON

April 30, 1977

The Vice President Stu Eizenstat Jack Watson Bert Lance

Re: Locks & Dam 26 Waterway
User Charges

The attached was returned in the President's outbox and is forwarded to you for your information and appropriate action.

Rick Hutcheson

Mr. President:

Watson concurs with the DOT/OMB position.

Attached is a campaign memo on this subject to you from Carlton Neville.

Also attached are the Vice President's comments, and the OMB and CEQ memos on this subject, should you wish further information.

Rick

THE PARSIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

April 29, 1977

MEMORANDUM FOR

THE PRESIDENT

FROM

STU EIZENSTAT

SUBJECT

LOCKS & DAM 26 WATERWAY USER CHARGES

Secretary Adams testifies Monday on Locks & Dam 26 and Water-way User Charges. OMB has drafted the attached memorandum delineating the compromise achieved between DOT and the Corps of Engineers. CEQ opposes this position and feels we should not at this point commit to an expanded facility.

1. Lock and Dam 26

I have attached a memorandum from Carlton Neville to you dated March, 1976, on Locks and Dam 26. We have not located any campaign statement issued on this subject. Generally, I think the OMB-DOT-Corps position is acceptable. The testimony commits to a 1200' lock, but with a limitation of 9' sill depth and no expansion of upstream facilities. These safeguards should help assure environmentalists and railroads that the 1200' lock is not a subterfuge for a deeper channel and expansion upstream. The testimony opposes any authorization for a new facility, pending the outcome of a two-year engineering study to examine rehabilitation and expansion at the existing site vs. a new facility.

I recommend that you ask Secretary Adams after his testimony to study commodity projections, intermodal impacts, the impact of user charges on commodity projections and the environmental questions (with CEQ) as well as the engineering questions during the two-year period of study.

If you feel that committing to expansion of capacity is inappropriate at this time, the testimony would require major modification.

See attached OMB memorandum.

Electrostatic Copy Made for Preservation Purposes

C

2. User Charges

The testimony supports user charges and indicates we are working to develop a specific proposal. We have worked with OMB to develop a statement which retains options with respect to fee system and percentage of cost recovery.

Conservationists For Carter

Jimmy Carter Presidential Campaign

. Jimmy - you may still have the original on this from last week coulding

To: Jimmy Carter Prome Carlton Neville Gull Visulla Date: March 10, 1976

LOCK AND DAM 26, Mississippi River on Missouri-Illinois li Subject:

On the Mississippi River at Alton, Ill. 15 miles north of St. Louis the Corps of Engineers is attempting to "rebuild" Dam 26 and its barge lock. The Corps first tried to do this without congression authorization calling it "repair work". However, conservationists discovered the Corps planned to deepen the lock by 30% (from 9 feet to 12 feet) at a cost of \$400 million. Also discovered were plans to enlarge all other locks from St. Louis to Minneapolis as "repairs" without congressional authorization, at a total cost of between \$4 and \$8 Billion. A lawsuit was filed by the Sierra Club and the Izaak Walton League and in 1974 a federal judge ruled that the Corps could not build the new lock and dam without specific congressional authorization. The Corps is planning to seek this authorization soon

This project to spend \$400 million to enlarge this lock is the first step in spending \$4-10 billion. It will benefit barge operator who don't even pay user fees for using the existing 9 foot canal. Moreover, a Department of Transportation study concerning the project said "given a modest additional investment" the railroads can handle all the extra freight of the enlarged canal. In addition to these economic issues, the environmental damage of the larger canal will be great. The existing canal is causing siltation and rapid cultural .eutrophication.

Position Recommended: Support repair of the existing 9 foot deep Lock and Dam 26 but oppose replacement with a new larger 12 foot lock.

Political Implications: Of concern to environmental organizations nationwide but especially in Missouri, Illin and Wisconsin. Dam also opposed by the Western Railway Assn. Supporters are the usual pork barrel crowd.

Additional Information: READERS DIGEST article Feb. 1976 (attached)

PLEASE RETURN COMMENTS

National Headquarters, P.O. Box 1976 Atlanta Ga 30301 404/807..7100

VICE PRESIDENT'S COMMENTS

1

OFFICE OF THE VICE PRESIDENT WASHINGTON

April 29, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: THE VICE PRESIDENT SUBJECT: LOCKS AND DAM 26

You know of my position on this issue, favoring replacement of the existing facilities at Alton, Illinois with a new dam, located downstream and a single new 1200 foot lock.

Senator Adlai Stevenson has proposed a bill to achieve this objective with safeguards to protect the environment and to guard against major expansion of the Upper Mississippi waterway.

For a number of reasons I believe that the Stevenson bill is the best approach:

- . The replacement project has a favorable cost-benefit ratio of 2.4:1;
- . Traffic demands upon all modes of transportation in the Upper Mississippi basin area will increase with the requirement for coal conversion included in the energy program;
- . When coupled with existing congestion problems, and the eight year-lead time required for construction, substantial bottlenecks can be anticipated unless action is taken soon;
- . Each new study generates more demands for study, with the basic problems associated with rehabilitation -cost, feasibility and safety -- never satisfactorily resolved;
- . If combined with an additional safeguard -- a limitation on maximum sill depth of 12 feet (a physical barrier against a 12 foot channel) -- I believe it would be widely supported in the Congress.

OMB has proposed an alternative, involving recognition of the need for a 1200 foot lock, but postponing for 18-24 months, pending review, a decision on whether the existing dam should be repaired or replaced.

Unless there is a clear statement of support for the increase in lock capacity to 1200 feet whether repair or replacement is ultimately judged to be most cost effective, this alternative is likely to meet with major opposition in the Congress and among agricultural and other waterway users.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

MEMORANDUM FOR:

THE PRESIDENT

FROM:

Bert Lance

SUBJECT:

Administration position on waterway user charges and on Alton Locks and Dam (26)

On May 2, the Department of Transportation and the Corps of Engineers will testify before the Senate Public Works Committee, Water Resources Subcommittee, on the Domenici bill linking authorization of collection of waterway user charges and the reconstruction of Alton Locks and Dam 26 on the Mississippi River. At this hearing, a statement of the Administration's position on these two issues will be presented. This memorandum is to apprise you of the actions we have taken and our plans for future action on the issues. Unless you indicate otherwise, we shall proceed as indicated below.

Background to the Issues

User charges: You have repeatedly supported the principle of collecting user charges for inland waterways, most recently in your decision statement on water project terminations and future water policy. The details of our proposal are still being worked out, but we have achieved agreement between Transportation and Army on major features.

Alton Locks and Dam: The Corps of Engineers has planned to construct two new 1200 foot locks and a new dam at Alton, Illinois since 1968, multiplying the capacity of the present dilapidated structure. This raises the possibility of expanding the entire Upper Mississippi and Illinois waterway systems. The new construction has been prevented by a court injunction obtained by the Western Railroad Association, various environmental groups, and the States of Wisconsin and Minnesota. The court required the Corps to obtain congressional authorization for the project and to expand its environmental impact statement to consider alternatives to a new dam. Cost estimates for rehabilitation of the present structure range from \$46 million to \$473 million.

The Department of Transportation has tended to support the railroad position. During the campaign you opposed and the Vice President supported a new facility.

Proposed Administration Positions

We have negotiated the following positions with Secretaries Adams and Alexander which they will take before the Committee. They are now preparing their testimony.

User charges: The Administration will support

- -- Imposition of a fuel tax on users of the inland waterway system.
- -- A statement of principle that user charges eventually should be extended to cover recreational boaters and the deep-draft system.
- -- Design the fuel tax to recover 100% of the Federal operation and maintenance cost and 50% of construction cost for new facilities.

In arriving at this position, recovery of user charges based solely on a segment specific fee was considered. This specific segment approach was taken by the Ford Administration on the basis that it provided for the most direct allocation of costs to users of the segment. The fuel tax is preferred, we believe, because 1) it recognizes the systematic nature of the waterways system and the justification for some intrasystem subsidies; 2) it would be more easily administered; 3) it is more easily combined, potentially, with fuel taxes which now support surface and air transportation systems; and 4) it would have a less disruptive impact on the current system, because fewer waterways would be made uneconomic on account of it. The fuel tax, however, would divert more traffic to other transportation modes than a segment fee system would.

By proposing a high level of recovery and a uniform fuel tax, the Administration is supporting Senator Domenici's basic proposal, while being in a position to compromise and still maintain a substantial level of recovery (Senator Domenici's bill assumes a system wide mechanism to recover only 50% of the Federal cost).

Electrostatic Copy Made for Preservation Purposes

Alton Locks and Dam: The Administration will propose

- -- A single 1200 foot lock to expand capacity of Lock 26, making clear that the Administration does not support expansion of the Upper Mississippi or Illinois waterway.
- -- The Corps will begin intensive maintenance of the structure. (Two year cost: \$10 million.)
- ok
- -- Over the next 18-24 months, during the period of intensive maintenance, the Corps will test innovative restoration methods which may preclude the necessity of replacement of the Dam. Transportation will monitor the Corps' efforts. (Cost: \$5-8 million, some of which may come from planned maintenance above.)
- -- Each step will be fully documented to avoid later disputes 🎉 over the actions on the locks and dam.

Although there will still be vocal opposition to this position, we believe it should be acceptable to the forces contending over the Alton Locks issue. The limited expansion will solve the near term capacity problem perceived by agricultural and barge interests, but it is insufficient to support an expanded upriver waterway so does not pose an immediate threat to railroads and environmentalists — especially coupled with our stance against expansion of the upriver waterway.

The position may save us significant sums by innovative rehabilitation techniques, depending on the outcome of the engineering tests.

The position is acceptable to the Vice President and to the Secretaries of Transportation and Army.

Is this compromise approach acceptable to you? We can provide you with more information on either Locksand Dam 26 or the user charges issue, or we can discuss the matters further.

	Electrostatic Copy Made
	See me
	// Waterway user charges
	/_/ Locks and Dam 26
	Provide me with further information on
10	Follow compromise approach outlined here

for Preservation Purposes

If we decide to continue the approach outlined here, the key members of the Public Works Committee and the Water Resources Subcommittee and the most concerned House and Senate members from the Upper Mississippi Basin should be notified on Friday and Saturday of the position which the Administration is going to take on these issues. In addition, Senator Long and perhaps others should be informed regarding the position the Administration is going to take on the waterway user charges

/V/ Proceed with notification

 $\overline{\hspace{1cm}}$ Hold on notification

CEQ MEMORANDUM

EXECUTIVE OFFICE OF THE PRESIDENT COUNCIL ON ENVIRONMENTAL QUALITY 722 JACKSON PLACE, N. W. WASHINGTON, D. C. 20006

April 29, 1977

MEMORANDUM FOR:

BROCK ADAMS
(STU EIZENSTAT
BERT LANCE

SUBJECT: Administration's position on Lock and Dam #26 and waterway

user charges

We are concerned that the Administration is committing itself prematurely and without adequate analysis to supporting an expansion in capacity for Locks and Dam #26. We are also concerned about premature commitment to a particular user fee structure in the absence of analysis of the equity, efficiency, and political feasibility of alternative approaches. Since the Administration is already committed to a detailed, several-year analysis of economic and environmental aspects of expanding capacity throughout the Upper Mississippi and Illinois River systems, we recommend that the Administration withhold support of a 1200-foot lock at L&D #26 at this time, and use the intervening period to take a detailed look at L&D #26, and its relationship to the rest of the Upper Mississippi/Illinois waterway system.

There is no need to commit the Administration to a 1200-foot lock at L&D #26 now. DOT estimates that the capacity of the existing locks will not be needed until 1990 to 2000. Moreover, this analysis assumes no user charges; if user charges are instituted the locks' capacity may not be reached until years into the next century.

Ample lead time exists to expand capacity if further analysis shows it is warranted. The Corps has indicated that the existing structures could be rehabilitated in two years, and that new locks could be built in eight years. Thus, there is no urgency, from a lead time perspective, to specifically endorse a 1200-foot lock at this time.

We also understand from the Corps that the existing structures, though deteriorated, can be used for 8-10 more years, with interim repairs as necessary.

Finally, we note that the President is on record during the campaign in support of repairing the existing structure at its existing capacity.

For these reasons, we recommend that a decision on expanding the capacity at L&D #26 await the results of a system-wide analysis, which should be authorized and undertaken as soon as possible.

With respect to user charges, DOT's proposed testimony would have the Administration supporting user fees in the form of fuel taxes designed to recover 50 percent of the public investment in new construction. We believe it is premature to commit to a particular user fee structure at this time. Very little analysis has been done comparing alternative waterway user fee approaches: fuel taxes, segment fees, a combination of both, etc. Here too, we recommend that the Administration look at the issue more closely before committing itself to a specific proposal. We recommend that the Administration stand solidly behind the concept of waterway user fees rather than a specific approach.

Charles Warren

Chairman

THE WHITE HOUSE WASHINGTON

Mr. President:

Watson concurs with the DOT/OMB position.

Attached is a campaign memo on this subject to you from Carlton Neville.

Also attached are the Vice President's comments, and the OMB and CEQ memos on this subject, should you wish further information.

Rick

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE WASHINGTON

April 29, 1977

MEMORANDUM FOR

THE PRESIDENT

FROM

STU EIZENSTAT

SUBJECT

LOCKS & DAM 26 WATERWAY USER CHARGES

Secretary Adams testifies Monday on Locks & Dam 26 and Water-way User Charges. OMB has drafted the attached memorandum delineating the compromise achieved between DOT and the Corps of Engineers. CEQ opposes this position and feels we should not at this point commit to an expanded facility.

1. Lock and Dam 26

I have attached a memorandum from Carlton Neville to you dated March, 1976, on Locks and Dam 26. We have not located any campaign statement issued on this subject. Generally, I think the OMB-DOT-Corps position is acceptable. The testimony commits to a 1200' lock, but with a limitation of 9' sill depth and no expansion of upstream facilities. These safeguards should help assure environmentalists and railroads that the 1200' lock is not a subterfuge for a deeper channel and expansion upstream. The testimony opposes any authorization for a new facility, pending the outcome of a two-year engineering study to examine rehabilitation and expansion at the existing site vs. a new facility.

I recommend that you ask Secretary Adams after his testimony to study commodity projections, intermodal impacts, the impact of user charges on commodity projections and the environmental questions (with CEQ) as well as the engineering questions during the two-year period of study.

If you feel that committing to expansion of capacity is inappropriate at this time, the testimony would require major modification.

See attached OMB memorandum.

2. User Charges

The testimony supports user charges and indicates we are working to develop a specific proposal. We have worked with OMB to develop a statement which retains options with respect to fee system and percentage of cost recovery.

Conservationists For Carter

Jimmy Carter Presidential Campaign

Jimmy - you may still have the origined on this from last week Carolin

To: Jimmy Carter From Carlton Neville Gull Viulle Date: March 10, 1976

LOCK AND DAM 26, Mississippi River on Missouri-Illinois li Subject:

On the Mississippi River at Alton, Ill. 15 miles north of St. Louis the Corps of Engineers is attempting to "rebuild" Dam 26 and its barge lock. The Corps first tried to do this without congression authorization calling it "repair work". However, conservationists discovered the Corps planned to deepen the lock by 30% (from 9 feet to 12 feet) at a cost of \$400 million. Also discovered were plans to enlarge all other locks from St. Louis to Minneapolis as "repairs" without congressional authorization, at a total cost of between \$4 and \$8 Billion. A lawsuit was filed by the Sierra Club and the Izaak Walton League and in 1974 a federal judge ruled that the Corps could not build the new lock and dam without specific congressional authorization. The Corps is planning to seek this authorization soon

This project to spend \$400 million to enlarge this lock is the first step in spending \$4-10 billion. It will benefit barge operator who don't even pay user fees for using the existing 9 foot canal. Moreover, a Department of Transportation study concerning the project said "given a modest additional investment" the railroads can handle all the extra freight of the enlarged canal. In addition to these economic issues, the environmental damage of the larger canal will be great. The existing canal is causing siltation and rapid cultural eutrophication.

Position Recommended: Support repair of the existing 9 foot deep Lock and Dam 26 but oppose replacement with a new larger 12 foot lock.

Political Implications: Of concern to environmental organizations nationwide but especially in Missouri, Illin and Wisconsin. Dam also opposed by the Western Railway Assn. Supporters are the usual pork barrel crowd.

Additional Information: READERS DIGEST article Feb. 1976 (attached)

PLEASE RETURN COMMENTS

agree

OFFICE OF THE VICE PRESIDENT WASHINGTON

April 29, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: THE VICE PRESIDENT SUBJECT: LOCKS AND DAM 26

You know of my position on this issue, favoring replacement of the existing facilities at Alton, Illinois with a new dam, located downstream and a single new 1200 foot lock.

Senator Adlai Stevenson has proposed a bill to achieve this objective with safeguards to protect the environment and to guard against major expansion of the Upper Mississippi waterway.

For a number of reasons I believe that the Stevenson bill is the best approach:

- The replacement project has a favorable cost-benefit ratio of 2.4:1;
- . Traffic demands upon all modes of transportation in the Upper Mississippi basin area will increase with the requirement for coal conversion included in the energy program;
- . When coupled with existing congestion problems, and the eight year-lead time required for construction, substantial bottlenecks can be anticipated unless action is taken soon;
- Each new study generates more demands for study, with the basic problems associated with rehabilitation -cost, feasibility and safety -- never satisfactorily resolved;
- . If combined with an additional safeguard -- a limitation on maximum sill depth of 12 feet (a physical barrier against a 12 foot channel) -- I believe it would be widely supported in the Congress.

OMB has proposed an alternative, involving recognition of the need for a 1200 foot lock, but postponing for 18-24 months, pending review, a decision on whether the existing dam should be repaired or replaced.

Unless there is a clear statement of support for the increase in lock capacity to 1200 feet whether repair or replacement is ultimately judged to be most cost effective, this alternative is likely to meet with major opposition in the Congress and among agricultural and other waterway users.



OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

MEMORANDUM FOR:

THE PRESIDENT

FROM:

Bert Lance

SUBJECT:

Administration position on waterway user charges and on Alton Locks and Dam (26)

On May 2, the Department of Transportation and the Corps of Engineers will testify before the Senate Public Works
Committee, Water Resources Subcommittee, on the Domenici bill linking authorization of collection of waterway user charges and the reconstruction of Alton Locks and Dam 26 on the Mississippi River. At this hearing, a statement of the Administration's position on these two issues will be presented. This memorandum is to apprise you of the actions we have taken and our plans for future action on the issues. Unless you indicate otherwise, we shall proceed as indicated below.

Background to the Issues

<u>User charges</u>: You have repeatedly supported the principle of collecting user charges for inland waterways, most recently in your decision statement on water project terminations and future water policy. The details of our proposal are still being worked out, but we have achieved agreement between Transportation and Army on major features.

Alton Locks and Dam: The Corps of Engineers has planned to construct two new 1200 foot locks and a new dam at Alton, Illinois since 1968, multiplying the capacity of the present dilapidated structure. This raises the possibility of expanding the entire Upper Mississippi and Illinois waterway systems. The new construction has been prevented by a court injunction obtained by the Western Railroad Association, various environmental groups, and the States of Wisconsin and Minnesota. The court required the Corps to obtain congressional authorization for the project and to expand its environmental impact statement to consider alternatives to a new dam. Cost estimates for rehabilitation of the present structure range from \$46 million to \$473 million.

For these reasons, we recommend that a decision on expanding the capacity at L&D #26 await the results of a system-wide analysis, which should be authorized and undertaken as soon as possible.

With respect to user charges, DOT's proposed testimony would have the Administration supporting user fees in the form of fuel taxes designed to recover 50 percent of the public investment in new construction. We believe it is premature to commit to a particular user fee structure at this time. Very little analysis has been done comparing alternative waterway user fee approaches: fuel taxes, segment fees, a combination of both, etc. Here too, we recommend that the Administration look at the issue more closely before committing itself to a specific proposal. We recommend that the Administration stand solidly behind the concept of waterway user fees rather than a specific approach.

Charles Warren

Chairman

THE WHITE HOUSE WASHINGTON

April 29, 1977

MEMORANDUM FOR RICK HUTCHESON

FROM

STU EIZENSTAT

San

SUBJECT

ATTACHED MEMORANDA ON LOCKS AND DAM 26

The President has requested the attached material right away. There is no need for senior staff review.

The Department of Transportation has tended to support the railroad position. During the campaign you opposed and the Vice President supported a new facility.

Proposed Administration Positions

We have negotiated the following positions with Secretaries Adams and Alexander which they will take before the Committee. They are now preparing their testimony.

User charges: The Administration will support

- -- Imposition of a fuel tax on users of the inland waterway system.
- -- A statement of principle that user charges eventually should be extended to cover recreational boaters and the deep-draft system.
- -- Design the fuel tax to recover 100% of the Federal operation and maintenance cost and 50% of construction cost for new facilities.

In arriving at this position, recovery of user charges based solely on a segment specific fee was considered. This specific segment approach was taken by the Ford Administration on the basis that it provided for the most direct allocation of costs to users of the segment. The fuel tax is preferred, we believe, because 1) it recognizes the systematic nature of the waterways system and the justification for some intrasystem subsidies; 2) it would be more easily administered; it is more easily combined, potentially, with fuel taxes which now support surface and air transportation systems; and it would have a less disruptive impact on the current system, because fewer waterways would be made uneconomic on account of it. The fuel tax, however, would divert more traffic to other transportation modes than a segment fee

By proposing a high level of recovery and a uniform fuel tax, the Administration is supporting Senator Domenici's basic proposal, while being in a position to compromise and still maintain a substantial level of recovery (Senator Domenici's bill assumes a system wide mechanism to recover only 50% of the Federal cost).

Alton Locks and Dam: The Administration will propose

- -- A single 1200 foot lock to expand capacity of Lock 26, making clear that the Administration does not support expansion of the Upper Mississippi or Illinois waterway.
- -- The Corps will begin intensive maintenance of the structure. (Two year cost: \$10 million.)
- -- Over the next 18-24 months, during the period of intensive maintenance, the Corps will test innovative restoration methods which may preclude the necessity of replacement of the Dam. Transportation will monitor the Corps' efforts. (Cost: \$5-8 million, some of which may come from planned maintenance above.)
- -- Each step will be fully documented to avoid later disputes a over the actions on the locks and dam.

Although there will still be vocal opposition to this position, we believe it should be acceptable to the forces contending over the Alton Locks issue. The limited expansion will solve the near term capacity problem perceived by agricultural and barge interests, but it is insufficient to support an expanded upriver waterway so does not pose an immediate threat to railroads and environmentalists — especially coupled with our stance against expansion of the upriver waterway.

The position may save us significant sums by innovative rehabilitation techniques, depending on the outcome of the engineering tests.

The position is acceptable to the Vice President and to the Secretaries of Transportation and Army.

Is this compromise approach acceptable to you? We can provide you with more information on either Locksand Dam 26 or the user charges issue, or we can discuss the matters further.

	•
10	Follow compromise approach outlined here
	Provide me with further information on
	/// Locks and Dam 26
	/ Waterway user charges
/7	See me

4

If we decide to continue the approach outlined here, the key members of the Public Works Committee and the Water Resources Subcommittee and the most concerned House and Senate members from the Upper Mississippi Basin should be notified on Friday and Saturday of the position which the Administration is going to take on these issues. In addition, Senator Long and perhaps others should be informed regarding the position the Administration is going to take on the waterway user charges issue.

Proceed with notification

/// Hold on notification